

Office of the State Board of Education

Analyst: Freeman

Historical Summary

| OPERATING BUDGET | FY 2006 Total App | FY 2006 Actual | FY 2007 Approp | FY 2008 Request | FY 2008 Gov Rec |
|---------------------------------|------------------------------|---------------------------|---------------------------|----------------------------|----------------------------|
| BY FUND CATEGORY | | | | | |
| General | 4,609,400 | 4,608,900 | 4,764,600 | 19,584,100 | 10,028,100 |
| Dedicated | 176,800 | 69,800 | 135,400 | 227,800 | 225,400 |
| Federal | 6,958,200 | 6,208,700 | 7,071,200 | 12,309,200 | 8,532,000 |
| Total: | 11,744,400 | 10,887,400 | 11,971,200 | 32,121,100 | 18,785,500 |
| Percent Change: | | (7.3%) | 10.0% | 168.3% | 56.9% |
| BY OBJECT OF EXPENDITURE | | | | | |
| Personnel Costs | 1,739,600 | 1,589,100 | 1,757,500 | 2,055,700 | 1,953,500 |
| Operating Expenditures | 9,217,600 | 7,351,500 | 9,407,600 | 12,967,500 | 9,869,900 |
| Capital Outlay | 0 | 18,100 | 4,000 | 2,600 | 0 |
| Trustee/Benefit | 787,200 | 1,928,700 | 802,100 | 17,095,300 | 6,962,100 |
| Total: | 11,744,400 | 10,887,400 | 11,971,200 | 32,121,100 | 18,785,500 |
| Full-Time Positions (FTP) | 22.00 | 22.00 | 23.00 | 26.00 | 25.00 |

Division Description

The State Board of Education is responsible for the general supervision, governance, and control of Idaho's public education system from kindergarten through the doctoral level, including oversight of public schools and the community colleges.

The Board is composed of eight members, seven of whom are appointed to five-year terms by the Governor subject to Senate confirmation. The eighth member is the holder of the statewide elected office of the Superintendent of Public Instruction. The Board meets across the state in nine to twelve regular sessions each year with additional special sessions scheduled as needed.

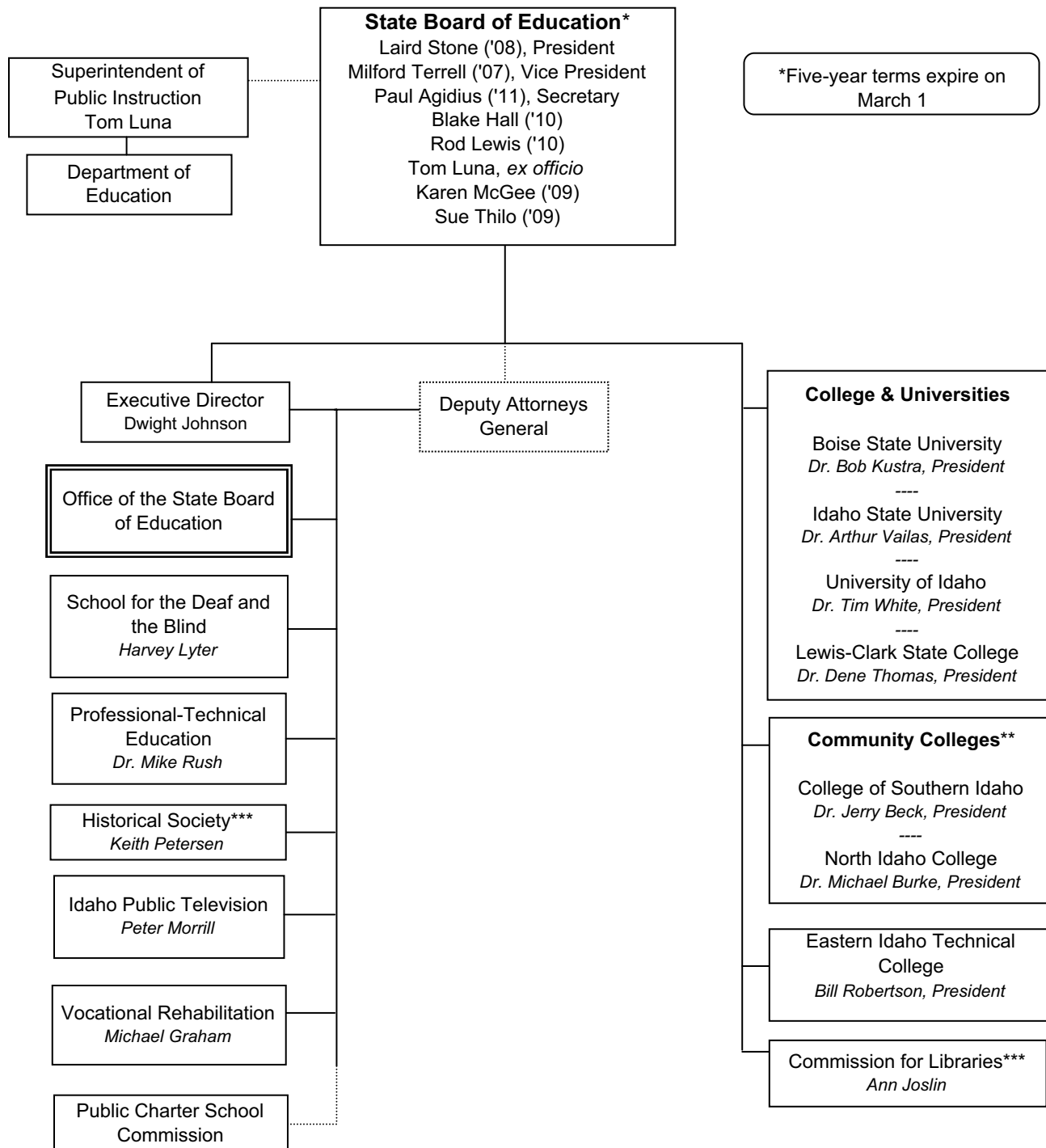
Recently, the State Board of Education has taken a larger role in K-12 education via development, adoption and implementation of achievement standards for Idaho's public school students. The Board is also reassuming the role and duties of 'State Education Agency' that it had previously delegated to the Superintendent of Public Instruction.

The Office of the State Board of Education (OSBE) provides professional staff support to the State Board of Education. Staff expertise focuses primarily on program evaluation, fiscal oversight and centralized record keeping. OSBE staff also responds to Board requests for special studies, monitors agency compliance with Board policies, and administers the state-funded financial aid programs.

State Board of Education Agency Profile

Analyst: Freeman

State Board of Education Organizational Chart



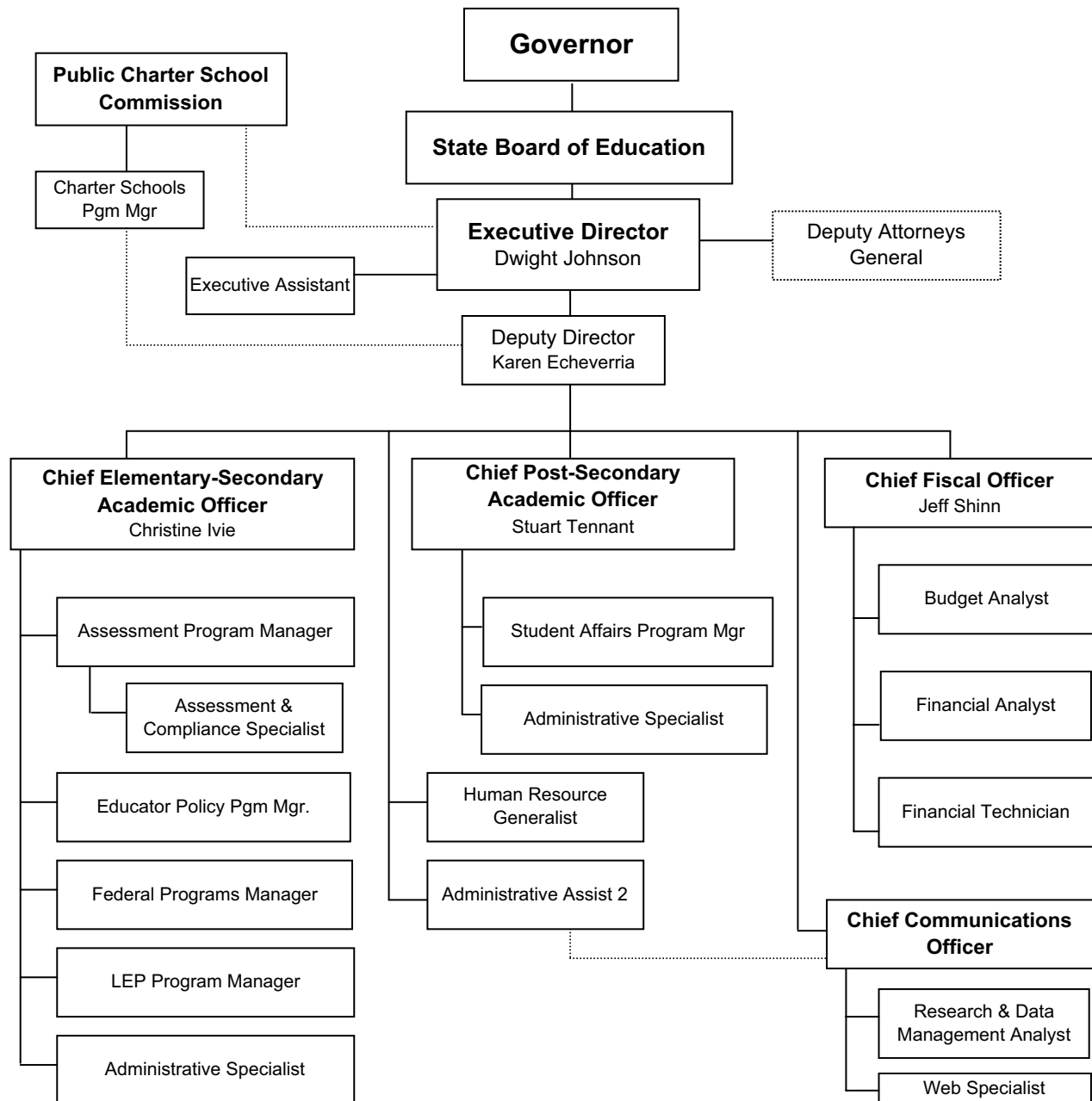
** Governed by locally elected boards (SBOE approves budget and all program offerings)

*** Governed by separate boards, appointed by the SBOE

Office of the State Board of Education Agency Profile

Analyst: Freeman

Office of the State Board of Education Organizational Chart



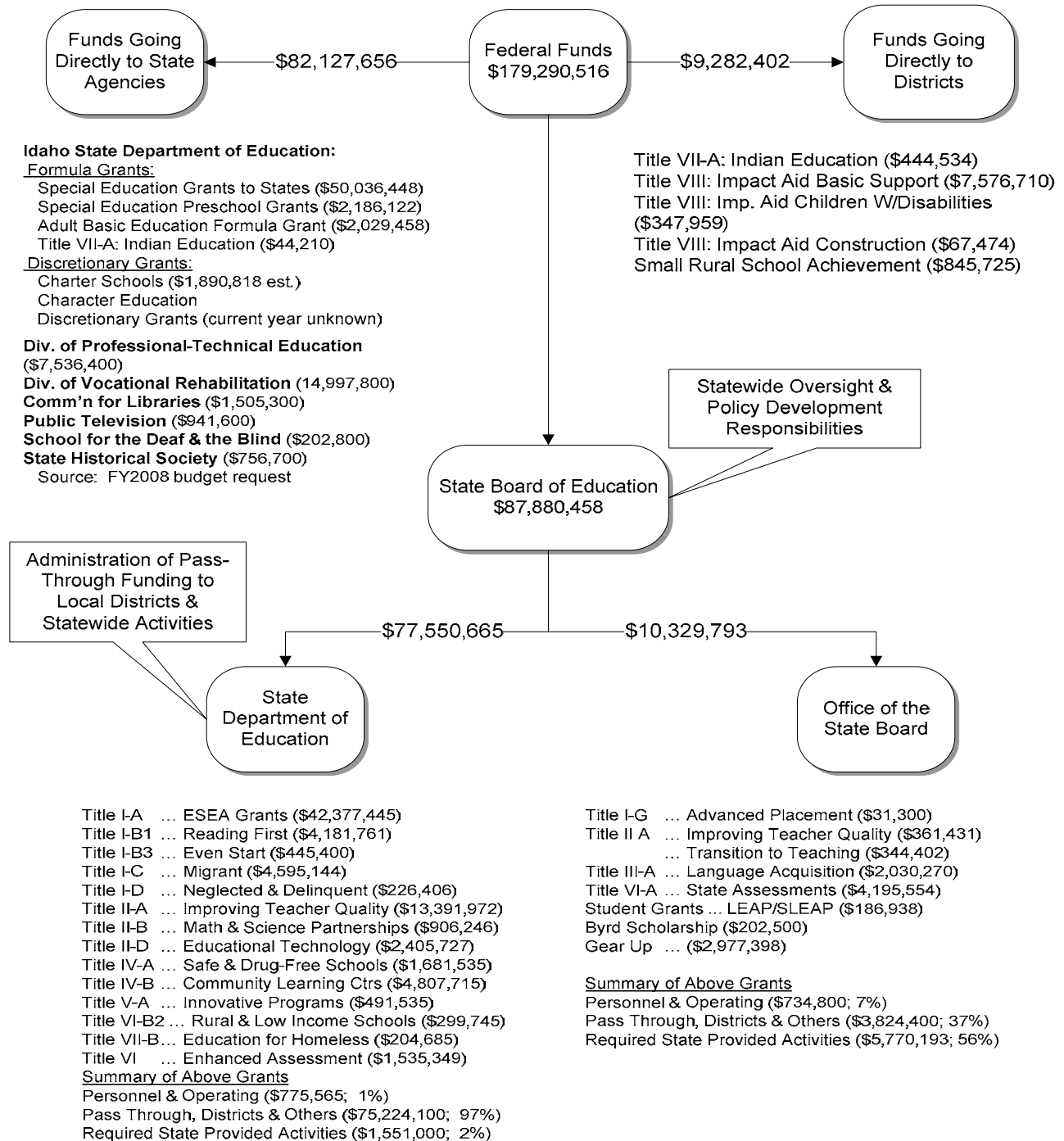
23.00 Full-Time Position Equivalents budgeted for FY 2007

Office of the State Board of Education

Agency Profile

Analyst: Freeman

Federal Funds Received From the U.S. Department of Education Fiscal Year 2006



Of the federal funds overseen by the State Board of Education acting as the State Education Agency (SEA) that are detailed in the lower portion of the page, the State Department of Education (SDE) receives approximately 88% and passes a majority through to school districts. OSBE receives the remaining 12% of the monies. More than 37% of the OSBE federal money is passed through to students, school districts or colleges and universities. Numbers reflect grant awards for state fiscal years 2006 and do not include carryover from previous years.

Office of the State Board of Education

Analyst: Freeman

Comparative Summary

| Decision Unit | Agency Request | | | Governor's Rec | | |
|---------------------------------------|----------------|-------------------|-------------------|----------------|-------------------|-------------------|
| | FTP | General | Total | FTP | General | Total |
| FY 2007 Original Appropriation | 23.00 | 4,764,600 | 11,971,200 | 23.00 | 4,764,600 | 11,971,200 |
| 1. Extend ISAT Vendor Contract | 0.00 | 1,700,000 | 1,700,000 | 0.00 | 1,700,000 | 1,700,000 |
| 2. Second & Ninth Grade Testing | 0.00 | 750,000 | 750,000 | 0.00 | 0 | 0 |
| 3. GEAR UP Federal Grant | 2.00 | 0 | 833,200 | 2.00 | 0 | 833,200 |
| 4. Teacher Incentive Pilot | 0.00 | 0 | 1,311,300 | 0.00 | 0 | 0 |
| FY 2007 Total Appropriation | 25.00 | 7,214,600 | 16,565,700 | 25.00 | 6,464,600 | 14,504,400 |
| Object Transfer | 0.00 | 0 | 0 | 0.00 | 0 | 0 |
| Budgeted Rescission | 0.00 | (22,400) | (22,400) | 0.00 | (22,400) | (22,400) |
| FY 2007 Estimated Expenditures | 25.00 | 7,192,200 | 16,543,300 | 25.00 | 6,442,200 | 14,482,000 |
| Removal of One-Time Expenditures | 0.00 | (1,871,000) | (1,887,800) | 0.00 | (1,704,000) | (1,720,800) |
| FY 2008 Base | 25.00 | 5,321,200 | 14,655,500 | 25.00 | 4,738,200 | 12,761,200 |
| Benefit Costs | 0.00 | 26,200 | 33,700 | 0.00 | 0 | 0 |
| Inflationary Adjustments | 0.00 | 66,500 | 223,300 | 0.00 | 0 | 0 |
| Statewide Cost Allocation | 0.00 | (72,100) | (72,100) | 0.00 | (72,100) | (72,100) |
| Change in Employee Compensation | 0.00 | 43,400 | 57,700 | 0.00 | 62,000 | 82,400 |
| FY 2008 Program Maintenance | 25.00 | 5,385,200 | 14,898,100 | 25.00 | 4,728,100 | 12,771,500 |
| 1. GEAR UP Grant | 0.00 | 0 | 624,000 | 0.00 | 0 | 624,000 |
| 2. Alignment & Academic Achievement | 0.00 | 500,000 | 500,000 | 0.00 | 300,000 | 300,000 |
| 3. Idaho English Language Assessment | 0.00 | 625,000 | 625,000 | 0.00 | 0 | 0 |
| 4. Teacher Incentive Pilot | 0.00 | 2,976,600 | 5,286,700 | 0.00 | 0 | 0 |
| 5. Additional Office Space | 0.00 | 25,000 | 25,000 | 0.00 | 0 | 0 |
| 6. Grant Writer | 1.00 | 72,300 | 72,300 | 0.00 | 0 | 0 |
| 7. Spending Authority Increase | 0.00 | 0 | 90,000 | 0.00 | 0 | 90,000 |
| 8. Community College System | 0.00 | 10,000,000 | 10,000,000 | 0.00 | 5,000,000 | 5,000,000 |
| FY 2008 Total | 26.00 | 19,584,100 | 32,121,100 | 25.00 | 10,028,100 | 18,785,500 |
| Change from Original Appropriation | 3.00 | 14,819,500 | 20,149,900 | 2.00 | 5,263,500 | 6,814,300 |
| % Change from Original Appropriation | | 311.0% | 168.3% | | 110.5% | 56.9% |

Office of the State Board of Education

Analyst: Freeman

| Budget by Decision Unit | FTP | General | Dedicated | Federal | Total |
|---------------------------------------|-------|-----------|-----------|-----------|------------|
| FY 2007 Original Appropriation | 23.00 | 4,764,600 | 135,400 | 7,071,200 | 11,971,200 |

1. Extend ISAT Vendor Contract

This request is for a one-time extension of the Northwest Evaluation Association (NWEA) contract to cover fall testing for the Idaho Standards Achievement Tests (ISAT) during the transition between NWEA and Data Recognition Corporation (DRC) as the Idaho testing contractor. Expenses include: (1) development of ISAT test forms, (2) training district personnel, (3) administer testing, (4) reporting testing results, and (5) transfer of data from NWEA to DRC.

| | | | | | |
|---------------------------|------|-----------|---|---|-----------|
| Agency Request | 0.00 | 1,700,000 | 0 | 0 | 1,700,000 |
| Governor's Recommendation | 0.00 | 1,700,000 | 0 | 0 | 1,700,000 |

2. Second & Ninth Grade Testing

Under rules promulgated by the State Board of Education, grades 2 through 10 are tested on at least a semi-annual basis (testing for grades two and nine not required under the federal No Child Left Behind Act). The contract with Northwest Evaluation Association (NWEA) included the cost of testing grades 2 through 10, but in the new contract with Data Recognition Corporation (DRC) testing for grades two and nine came as an extra cost item. Thus, this supplemental would provide funding for the continuation of ISAT administration for testing second and ninth grades and reflects the first year of a four year contract totaling \$2.5 million. The first year cost (\$583,000 ongoing, \$167,000 one-time) is higher due to development costs. The cost in the subsequent three years would be approximately \$440,000 annually.

| | | | | | |
|---|------|---------|---|---|---------|
| Agency Request | 0.00 | 750,000 | 0 | 0 | 750,000 |
| <i>Not recommended by the Governor.</i> | | | | | |
| Governor's Recommendation | 0.00 | 0 | 0 | 0 | 0 |

3. GEAR UP Federal Grant

The Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) is designed to increase the number of at risk, and first generation college students who are prepared to enter and succeed in postsecondary education. GEAR UP is intended to provide services to an entire cohort of students (beginning in the seventh grade) at high poverty schools to assure they have necessary support and academic achievement to attend and be successful in postsecondary education. The State of Idaho has been awarded approximately \$17.9 million to be used over a six year period. Included in this amount is \$9.1 million (approximately \$1.5 million each year) that will be placed in an interest bearing trust account until such time as the funds are awarded as scholarships to individual GEAR UP students. This request includes \$107,400 for 2 limited service positions, \$609,000 in operating expenses, \$16,800 in one-time capital outlay and \$100,000 in trustee & benefit payments.

| | | | | | |
|---------------------------|------|---|---|---------|---------|
| Agency Request | 2.00 | 0 | 0 | 833,200 | 833,200 |
| Governor's Recommendation | 2.00 | 0 | 0 | 833,200 | 833,200 |

4. Teacher Incentive Pilot

Federal funding is being sought to launch a pilot performance-based system in three of Idaho's most innovative school districts, Bonneville, Caldwell and Lakeland. All but \$8,000 of the OE will be spent for professional development of the teachers involved in the pilot.

Analyst Comment: The State Board was notified in November 2006 that its application for federal funding was not approved.

| | | | | | |
|---------------------------|------|---|---|-----------|-----------|
| Agency Request | 0.00 | 0 | 0 | 1,311,300 | 1,311,300 |
| Governor's Recommendation | 0.00 | 0 | 0 | 0 | 0 |

| | | | | | |
|------------------------------------|-------|-----------|---------|-----------|------------|
| FY 2007 Total Appropriation | | | | | |
| Agency Request | 25.00 | 7,214,600 | 135,400 | 9,215,700 | 16,565,700 |
| Governor's Recommendation | 25.00 | 6,464,600 | 135,400 | 7,904,400 | 14,504,400 |

Object Transfer

As the federal programs managed by OSBE have evolved, the original appropriation was not in the correct object classes. This decision unit simply moves the spending authority to the object classes that the monies will be spent from (reflects a transfer of \$60,000 in PC and \$1,000,000 in OE to trustee & benefit payments). In this way OSBE will not have to request an object transfer each year.

| | | | | | |
|---------------------------|------|---|---|---|---|
| Agency Request | 0.00 | 0 | 0 | 0 | 0 |
| Governor's Recommendation | 0.00 | 0 | 0 | 0 | 0 |

Office of the State Board of Education

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| Budget by Decision Unit | FTP | General | Dedicated | Federal | Total |
|---|-------|-------------|-----------|-----------|-------------|
| Budgeted Rescission | | | | | |
| In FY2007, \$80,800 was provided for a new position to support the Charter School Commission. The position was filled at a lower pay-grade than originally planned. As a result, the difference is being reverted in this decision unit. | | | | | |
| Agency Request | 0.00 | (22,400) | 0 | 0 | (22,400) |
| Governor's Recommendation | 0.00 | (22,400) | 0 | 0 | (22,400) |
| FY 2007 Estimated Expenditures | | | | | |
| Agency Request | 25.00 | 7,192,200 | 135,400 | 9,215,700 | 16,543,300 |
| Governor's Recommendation | 25.00 | 6,442,200 | 135,400 | 7,904,400 | 14,482,000 |
| Removal of One-Time Expenditures | | | | | |
| Remove funding provided for one-time items. | | | | | |
| Agency Request | 0.00 | (1,871,000) | 0 | (16,800) | (1,887,800) |
| Governor's Recommendation | 0.00 | (1,704,000) | 0 | (16,800) | (1,720,800) |
| FY 2008 Base | | | | | |
| Agency Request | 25.00 | 5,321,200 | 135,400 | 9,198,900 | 14,655,500 |
| Governor's Recommendation | 25.00 | 4,738,200 | 135,400 | 7,887,600 | 12,761,200 |
| Benefit Costs | | | | | |
| Restores funding for premium holidays taken in FY 2007 estimated at \$865 per employee. Also includes the employer-paid portion of estimated changes in employee benefit costs including \$350 per employee for health insurance. | | | | | |
| Agency Request | 0.00 | 26,200 | 0 | 7,500 | 33,700 |
| <i>The Governor recommends that all health insurance related adjustments be funded by program changes or utilizing reserves available in the group insurance contract. As the PERSI Board voted to maintain the current contribution rate for the upcoming fiscal year, no adjustment to retirement rates is necessary.</i> | | | | | |
| Governor's Recommendation | 0.00 | 0 | 0 | 0 | 0 |
| Inflationary Adjustments | | | | | |
| This customized inflationary adjustment is a 1.81% increase over the base. It is calculated by subtracting statewide allocation plan costs and applying a 1.81% increase for all remaining operating costs. | | | | | |
| Agency Request | 0.00 | 66,500 | 2,400 | 154,400 | 223,300 |
| <i>Not recommended by the Governor.</i> | | | | | |
| Governor's Recommendation | 0.00 | 0 | 0 | 0 | 0 |
| Statewide Cost Allocation | | | | | |
| This decision unit includes adjustments for services provided by state agencies as follow: (\$76,300) for Attorney General fees, \$3,400 for State Controller fees, \$700 for State Treasurer fees, and \$100 for property and casualty insurance premiums. | | | | | |
| Agency Request | 0.00 | (72,100) | 0 | 0 | (72,100) |
| Governor's Recommendation | 0.00 | (72,100) | 0 | 0 | (72,100) |
| Change in Employee Compensation | | | | | |
| Reflects the calculated cost of a 3.5% salary increase for permanent and group positions. | | | | | |
| Agency Request | 0.00 | 43,400 | 0 | 14,300 | 57,700 |
| <i>The Governor recommends a compensation increase of 5% to be distributed based on merit.</i> | | | | | |
| Governor's Recommendation | 0.00 | 62,000 | 0 | 20,400 | 82,400 |
| FY 2008 Program Maintenance | | | | | |
| Agency Request | 25.00 | 5,385,200 | 137,800 | 9,375,100 | 14,898,100 |
| Governor's Recommendation | 25.00 | 4,728,100 | 135,400 | 7,908,000 | 12,771,500 |

Office of the State Board of Education

Analyst: Freeman

| Budget by Decision Unit | FTP | General | Dedicated | Federal | Total |
|--|------|-----------|-----------|-----------|-----------|
| 1. GEAR UP Grant | | | | | |
| The Gaining Early Awareness and Readiness for Undergraduate Program (GEAR UP) is designed to increase the number of college students who are prepared to enter and succeed in postsecondary education. Intended to provide services at high poverty middle and high schools. College scholarship funds for low-income students are available through this program. The State of Idaho has been awarded approximately \$14.8 million to be used over a six year period. Included in this amount is \$9.1 million (approximately \$1.5 million each year) that will be placed in an interest bearing trust account until such time as the funds are awarded as scholarships to individual GEAR UP students. A supplemental was requested for spending authority in FY 2007. This line item would provide the annualized spending authority for FY2008. | | | | | |
| Agency Request | 0.00 | 0 | 0 | 624,000 | 624,000 |
| Governor's Recommendation | 0.00 | 0 | 0 | 624,000 | 624,000 |
| 2. Alignment & Academic Achievement | | | | | |
| Alignment, Validity, and Comparability work assures that Idaho's assessment system meets the national technical standards for large scale assessments. This line item would provide one-time funding for an external review of the state's assessment system which is required periodically, especially when changes are made in the system. Substantial changes have been made in all areas of Idaho's assessment system over the last year. | | | | | |
| Agency Request | 0.00 | 500,000 | 0 | 0 | 500,000 |
| <i>The Governor recommends funding this line item at \$300,000, based on conversations with OSBE which indicated this is an amount sufficient to complete the project.</i> | | | | | |
| Governor's Recommendation | 0.00 | 300,000 | 0 | 0 | 300,000 |
| 3. Idaho English Language Assessment | | | | | |
| Federal assessment funds under Title VI of the No Child Left Behind Act were allocated to fund the Idaho English Language Assessment (IELA) for 2 contract years, through July 2007. Title VI funding is now fully allocated for the ISAT assessment program. The State Board is requesting ongoing funds to run the federally mandated IELA annual assessment. | | | | | |
| Agency Request | 0.00 | 625,000 | 0 | 0 | 625,000 |
| <i>Not recommended by the Governor.</i> | | | | | |
| Governor's Recommendation | 0.00 | 0 | 0 | 0 | 0 |
| 4. Teacher Incentive Pilot | | | | | |
| Federal funding is being sought to launch a pilot performance-based system in three of Idaho's most innovative school districts, Bonneville, Caldwell and Lakeland. | | | | | |
| Analyst Comment: The State Board was notified in November 2006 that its application for federal funding was not approved. | | | | | |
| Agency Request | 0.00 | 2,976,600 | 0 | 2,310,100 | 5,286,700 |
| <i>Not recommended by the Governor.</i> | | | | | |
| Governor's Recommendation | 0.00 | 0 | 0 | 0 | 0 |
| 5. Additional Office Space | | | | | |
| This request would provide the funding necessary for a 50% increase in the amount of office space occupied by the board, or approximately 2,400 additional square feet (@ \$10.40 SF). The office is currently in discussions with the Division of Professional-Technical Education to locate space on the 3rd floor the of the LBJ building. Board staffing levels have increased from 10.85 FTP in FY 1997 to 25 FTP in FY 2007. | | | | | |
| Agency Request | 0.00 | 25,000 | 0 | 0 | 25,000 |
| <i>Not recommended by the Governor.</i> | | | | | |
| Governor's Recommendation | 0.00 | 0 | 0 | 0 | 0 |
| 6. Grant Writer | | | | | |
| The position would be responsible for obtaining external resources to fund program priorities that are not included in the General Fund allocation. | | | | | |
| Agency Request | 1.00 | 72,300 | 0 | 0 | 72,300 |
| <i>Not recommended by the Governor.</i> | | | | | |
| Governor's Recommendation | 0.00 | 0 | 0 | 0 | 0 |

Office of the State Board of Education

Analyst: Freeman

| Budget by Decision Unit | FTP | General | Dedicated | Federal | Total |
|---|--------------|-------------------|----------------|------------------|-------------------|
| 7. Spending Authority Increase | | | | | |
| This line item would provide additional \$85,000 in spending authority for federal indirect funds (\$20,100 in PC for part-time group support position, and \$14,900 PC and \$50,000 OE to be used to as needed for unique one-time situations (e.g. vacation payoffs, specialized training, one-time projects). In addition, this line item would provide \$5,000 in dedicated fund spending authority for additional staff time spent registering proprietary schools as required pursuant to H712 of 2006. | | | | | |
| Agency Request | 0.00 | 0 | 90,000 | 0 | 90,000 |
| <i>Governor's Recommendation</i> | <i>0.00</i> | <i>0</i> | <i>90,000</i> | <i>0</i> | <i>90,000</i> |
| 8. Community College System | | | | | |
| This line item represents a placeholder for funding in support of a new community college system. This line item does not constitute approval of any specific plan to expand community colleges. | | | | | |
| Agency Request | 0.00 | 10,000,000 | 0 | 0 | 10,000,000 |
| <i>The Governor recommends these ongoing funds to be used as an incentive to establish community college districts and support initial efforts of local patrons to develop an ongoing plan for providing services in their respective areas. These funds would be provided on a first-come, first-serve basis in a partnership environment for newly formed districts.</i> | | | | | |
| <i>Governor's Recommendation</i> | <i>0.00</i> | <i>5,000,000</i> | <i>0</i> | <i>0</i> | <i>5,000,000</i> |
| FY 2008 Total | | | | | |
| Agency Request | 26.00 | 19,584,100 | 227,800 | 12,309,200 | 32,121,100 |
| <i>Governor's Recommendation</i> | <i>25.00</i> | <i>10,028,100</i> | <i>225,400</i> | <i>8,532,000</i> | <i>18,785,500</i> |
| Agency Request | | | | | |
| Change from Original App | 3.00 | 14,819,500 | 92,400 | 5,238,000 | 20,149,900 |
| % Change from Original App | 13.0% | 311.0% | 68.2% | 74.1% | 168.3% |
| <i>Governor's Recommendation</i> | | | | | |
| <i>Change from Original App</i> | <i>2.00</i> | <i>5,263,500</i> | <i>90,000</i> | <i>1,460,800</i> | <i>6,814,300</i> |
| <i>% Change from Original App</i> | <i>8.7%</i> | <i>110.5%</i> | <i>66.5%</i> | <i>20.7%</i> | <i>56.9%</i> |